

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

Wednesday, November 19, 2014

REPORT

PASSENGER TRAFFIC DIPS SLIGHTLY BUT PARKING REVENUES REACH RECORD LEVEL

While airline passenger traffic dropped slightly in October by 3.5 percent to 13,808 total passengers, parking lot revenues hit an all-time high for the month. In fact, October's airport share of total parking revenues recorded an increase of nearly \$5,800 over last October which amounts to a healthy 12 percent increase month-over-month. No doubt last January's \$1 per day parking rate increase had much to do with it, but airline load factors remained strong at 81.4 percent for the month, with year-to-date load factor a healthy 79.9 percent. The slight drop in passenger traffic in October is consistent with my report last August which indicated that staff didn't expect the strong summer traffic growth to continue for the remainder of the year, as it appeared from advanced booking trends that business travel demand in the region had plateaued somewhat.

NEW ATCT PROJECT ENTERS NEXT PHASE

With the completion of the environmental assessment and issuance of a FONSI for LYH's new air traffic control tower project, we are now entering the actual design through bidding phase of the project. I am in the process of negotiating a contract for these services with RS&H (the same firm that prepared both the site selection study and environmental assessment) and a detailed scope of work is currently under review by the FAA. This process will be followed by an FAA-required independent fee review by a third-party engineer for final FAA approval before a contract can be executed. I anticipate having the contract signed and a notice-to-proceed to be issued by the end of the year in order to have the design completed and a bid package distributed to contractors in time to keep the project on schedule for going under grant by next summer. Construction should follow shortly after.

PHASE II OF AIRFIELD REHAB PROJECT COMPLETED

I'm pleased to report that this summer's major airfield project involving the realignment and reconstruction of Taxiway "D", creation of a new Taxiway "E" and expansion of the new South Ramp parking area has been completed. This \$4.8 million AIP project represents a significant safety upgrade to the taxiway system as LYH, and represents a major expansion of aircraft parking capabilities at Lynchburg Regional Airport. In addition, both new taxiways as well as the expanded ramp area have been built to full-strength concrete/pavement standards in order to accommodate full-size air carrier aircraft. I will provide a project wrap-up at next Monday's meeting and answer any questions the Commission may have about this project.

AIRLINE MEETINGS CONCLUDED AT WORLD ROUTES CONFERENCE

In late September I had the opportunity to attend the annual World Routes airline conference held in Chicago. As reported to you previously, this year I solicited the help of two air service consulting firms specifically to assist with recruiting United and enhancing service from the new American airlines. Overall, I felt the meetings went well, although I certainly got the impression there remains a lot of system integration and future route decisions to be made by both airlines. I will provide a summary of all my airline meetings at next Monday's meeting.

STAFF TO MEET WITH DOT SECRETARY AS PART OF VA COMMERCIAL AIR SERVICE REVIEW

As part of the current initiative underway by the Virginia Department of Aviation (DOAV) to undertake a state-wide air service review at the request of the Governor, Deputy City Manager Bonnie Svrcek and I will be hosting the Virginia Secretary of Transportation at LYH on December 18, 2014. It is my understanding that the Secretary will be visiting all of the Commonwealth's commercial service airports in order to get a first-hand look at these facilities and to gain insight into some of the challenges and opportunities that face our state's commercial airports.

COMMISSION RECOMMENDATION REGARDING AIRPORT FBO GOES TO COUNCIL JANUARY

Due to both a shortened holiday schedule of meetings and the planned absence of one Council member in December, last month's Commission recommendation to City Council regarding resolution of the Virginia Aviation leasehold is now scheduled for the January 13, 2015 Council meeting. The meeting will be held at City Hall and starts at 7:30 p.m. I will forward the Council Agenda and any relevant materials to all Commission members as soon as they are available.

AGENDA FOR COMMISSION MEETING

In addition to the items noted above, the agenda for the November meeting will primarily focus on a presentation by the airport's finance manager regarding our proposed FY 2016 Operating Budget. With the proposed budget scheduled for submission to the City Finance Department in December, staff will be asking for a recommendation to City Council at the Commission's January 2015 meeting. If you have any questions regarding the upcoming Commission meeting, please feel free to give me a call at 455-6089, or by cell at 444-3363.

Respectfully yours,

Mark F. Courtney

Mark F. Courtney, A.A.E.
Airport Director

LYNCHBURG REGIONAL AIRPORT COMMISSION
Monday, November 24, 2014
4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. August 25, 2014 Commission Meeting Minutes
October 27, 2014 Special Commission Meeting Minutes
3. Lynchburg Regional Airport November 2014 Air Service Update
4. October 2014 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Finance Manager

- A. A report with regards to the airport's proposed FY 2016 Operating Budget

Commission Action: None at this time. Recommendation to City Council to be made at the January 2015 meeting of the Commission

6. Report of the Airport Director

- A. A presentation summarizing the completion of the Phase II Airfield and Apron Project
 - B. A report regarding the outcome of this year's meetings with airline planners at the World Routes airline conference

7. Miscellaneous business

- A. Inquiries and/or comments by Commission Members

8. Reports of airport businesses

9. Hearings of citizens upon Commission matters

10. Adjournment

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING**

August 25, 2014

4:00 p.m.

PRESENT:

Robert Day
Stewart Hobbs
Mike Davidson
Don Brown
Kimball Payne
Bert Dodson
Debra Allen
Lynch Christian

ABSENT:

Charles Nowlin

STAFF PRESENT:

Mark Courtney, Airport Director
Rick Stein, Deputy Airport Director
Wes Campbell, Airport Finance Director

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m. Mr. Stewart Hobbs then read and presented a Resolution by the Lynchburg Regional Airport Commission to recognize and thank Mr. Jones Stanley for his service to the Airport and Central Virginia. He was also presented with a framed picture of the airport passenger terminal with the Blue Angels in the foreground.

(2) APPROVAL OF August 25, 2014 CONSENT AGENDA

Mr. Hobbs confirmed that everyone had received the items from the consent agenda; the June 16, 2014 Commission Meeting Minutes, the August 2014 Air Service Update and the July 2014 Passenger Traffic Report and asked if there were any questions, comments or changes regarding the consent agenda items.

Mr. Hobbs said hearing no questions or comments, he was just going to declare the Consent Agenda accepted as presented to receive and file.

(3) REPORT OF THE AIRPORT DIRECTOR

A. A status report on Phase 2 of the Airfield Rehabilitation Project.

Mr. Courtney gave a status update on Phase 2 of the Airfield Rehabilitation Project. He said overall the project has gone very well and is on track to be completed by early Fall. He went on to further detail and discuss the project.

B. An update regarding the environmental report and next steps involved in the construction phase of LYH's new air traffic control tower.

Mr. Courtney said that although the environmental assessment had gone on a long time, we are at the point where we have a pre-final version. The good news is that we have so much FAA involvement and review of the draft documents that by the time we do submit the final there should be very little in the way of additional comments. He said the only comments that were received regarding the 30-day public comment period was from the DEQ which had a number of comments which were all relatively minor. No comments were received from the public and at this point RS&H is finalizing the pre-final version for final review again by the FAA local offices and planning office and that will be submitted from there.

Mr. Courtney said he was contacted by the Tower Chief, Mr. Bill Glaize, who expressed some interest in the possibility of the Airport being able to provide some new equipment in the Tower as evidently the FAA is somewhat tight with their budget when it comes to providing new equipment to contract towers and especially VFR towers. Mr. Courtney asked Mr. Glaize if he could provide some ball park figures regarding the cost. Mr. Courtney said as long as it was eligible for State Entitlement funds and PFC funds - which he thought it would be - and if it was a low enough amount, we could actually fund that as well. There followed a general discussion.

C. A report with regards to the Virginia Department of Aviation's upcoming Commercial Air Service Strategic Review.

Mr. Courtney explained that a request came from the Governor's office through the Secretary of Transportation to have the Virginia Department of Aviation undertake a statewide Commercial Air Service Strategic Review. He said this is basically looking at the nine commercial service airports in the state and performing an analysis and review and providing recommendations to improve the air service in the Commonwealth. He said part of it is to analyze, compare and benchmark how we compare to other states, how other states' programs may be better, etc.

He said the Department of Aviation is being very inclusive of the affected airports, and has asked for our input on the scope of work, which we have provided. Mr. Courtney stated that the draft is actually a very good scope of work.

One of the suggestions we offered was to have the study focus on Washington/Dulles Airport, which fits in very well with our needs, particularly from the standpoint of having United Express Service back to Dulles. United's hub at Dulles has come under quite a bit of fire lately and there has been a lot of talk about whether United should abandon that hub or not. He said United's flights are down and have been down every year since 2008. They are down around 20 - 30% total traffic and total flights. He said this is due to routes being either reduced or eliminated by United as part of their domestic hub, but that United's international hub remains strong.

He said we thought it would be good to try to get the Governor behind efforts to enhance and improve United's hub operation at Dulles because it would benefit all of the airports in the Commonwealth. He said he had spoken with the Airport Director at Newport News, since Newport News and Lynchburg are the only two Commercial Service airports in the Commonwealth that don't have United airline service to Dulles. It is hoped Newport News and Lynchburg could partner together and come up with a plan to persuade the Governor's Office and the Governor to assist with seeking the return of United Express service to both Newport News and Lynchburg. He went on to further detail and explain the issue. There ensued further discussion.

- (4) Commission member discussion of the list of ideas provided by participants at the August 11, 2014 GA Community Forum, with particular emphasis on identifying those items most important to the Commission for further consideration.**

Mr. Hobbs said he was pleased to see everyone at the August 11, 2014 meeting.

Mr. Kim Payne said perhaps he could help facilitate the discussion. He said we did have a good turn out on the 11th and he appreciated that all of the Commission Members were there. There were two pages of take-aways from the comments related to the questions that were posed. He thought the next step should be to get the Airport Commission's collective consensus reaction to help them to understand what was important.

Mr. Payne said they had received a lot of input for goals that might be realized several months to a couple of years from now, but the immediate task before us is to bring a recommendation back to the Airport Commission that [advises?] City Council on what to do about the FBO situation on the airport.

He said there was a proposal from Freedom Aviation that we need to respond to.

He said we are looking at either a relationship with Freedom Aviation as the FBO on the airport, or the other alternative which would be for the City to have some positive role. He said there are the things we need to make sure we address and decide which are the most important thing in order to move forward. He recognized Judy Bristow, the Council for Freedom Aviation, as being present and turned the floor over to her.

Ms. Bristow said she had been working with Liberty University for several years and her first involvement with them was to assist them in acquiring Falwell Aviation and more recently with the acquisition of Virginia Aviation. She said throughout this process she had been advising Jerry Falwell, Jr. and David Young and their team on various matters, from putting together the negotiated transaction with Jimmie Walker to interpreting some of the FAA regulations and circulars.

In particular, she said they are coming up with strategies to move forward to work with the City on the Advisory Circular that was referenced during the May 19th Commission meeting which focuses on promoting competition at an airport to make sure that there is not a monopoly, and to make sure that an airport sponsor does not take any actions indirectly or directly to grant exclusive rights to any FBO operator.

She said it is the FAA's purpose and objective to promote competition. She believed it was also stated at that meeting that having just one FBO at an airport does not in and of itself mean that there is a violation of an exclusive grant policy or that there is a monopoly. She said she advised her client to make sure that the overall impact of what our request is does not result in something that could be seen as a monopoly.

She said she had done an analysis and she had also contacted the FAA Regional Council to confirm that her interpretation was correct. She said that as long as nothing is being done that provides Freedom Aviation or the merged entity an exclusive right to any of the aeronautical services, then the airport sponsor, the City, is not violating any exclusive rights. She said she wanted to make sure that everyone understood this and they did not want anyone to think that Freedom Aviation is asking anyone to make a decision in violation of the FAA regulations.

She said the FAA circular also talks about looking at the impact of the decision to be made, so the decision that is on the table is whether or not to approve the assignment of the lease and to waive that provision to terminate the lease upon the change of control. She went on to further discuss the issue. There followed a brief discussion.

Mr. Courtney said he had referenced the FAA Circular before and it was what he had based his comments on to date; however, in addition there is sponsor assurance #23 as part of our Master AIP Agreement as a recipient of Federal funds. He said he mentioned that there is guidance in the form of the Advisory Circular, there is guidance in the form of the Compliance Manual with the FAA, and these are issues that are very specific to each individual airport.

He stressed that in the event a complaint is filed, such complaints are filed under either an informal process known as Part 13, or a formal process known as Part 16. He said typically it starts with a Part 13 and that anybody can file a complaint alleging violations of sponsor assurances which would go through the informal determination. He said he started his efforts for clarification with the Washington Airports District Office, which is where complaints would be filed initially, although a Part 16 Complaint is a much more formal process. He went on to further detail and discuss the issue. There ensued a general discussion.

Mr. Payne said concerns about the proposal from Freedom Aviation from the GA Community had been heard and he wanted to make sure that he and Mr. Courtney heard from the Commission validation of those concerns or some other concerns, issues or opportunities that we should be addressing as we continue our talks with Freedom Aviation. He went on to further discuss and outline the issue.

Mr. Hobbs said the GA Forum on 11th was...anything and everything that somebody wanted included in an FBO, some of which were valid and some of which were not. He said as far as he knew we did not have a formal proposal from Freedom Aviation. He said maybe Mr. Payne did, but the Commission did not.

Mr. Payne said they had the proposal that Freedom brought forth when it went to City Council, they are waiting to give another proposal, a revised proposal as a result of some of the discussion that has gone on since this matter went to City Council but right now what is out there, what is in the public today, is what went to Council in July.

Mr. Dave Young said there has not been a Commission meeting other than the open forum but he did have copies of the proposal and he would be more than happy to provide it. He went on to further detail.

Mr. Hobbs said the Commission had not been formally presented with such items and he was not prepared to discuss them today without some review and appraisal. He did think that the Commission needed to have them in hand and at some point they did need to make a recommendation; however, it is not on the agenda today to make a recommendation.

Mr. Payne said their intent moving forward would be to wait until the next regularly scheduled meeting which is in November. There followed a general discussion.

Mr. Bob Day spoke up and said he heard the [GA Forum] group that stressing the importance of customer service and using such words as “timely”, “prompt”, “quality”, “professional” meaning that it [fuel] has to be provided at a reasonable cost and it has to be available. He said he thought there may be an opportunity for the Commission to look specifically at how fuel is provided and the cost of fuel which would benefit general aviation and flight students. He said that it might require an investment by the City but there could be a payback with that investment but he said he thought specifically there might be an opportunity there. There followed a general discussion.

There ensued a general discussion led by Mr. Hobbs regarding fueling and contracts and pricing benchmarks, etc.

Mr. Courtney said he would like to caution the Commission when looking at the cost of fuel, particularly AV gas, that it must be compared based on the quality of the services that the airport provides and offers. There ensued an in-depth discussion.

Mr. Dave Young asked if the discussion was about a City run operation. Some said yes and some said not necessarily. Another discussion followed.

Mr. Charles Nowlin said he did not want to make the meeting last too long but there were other issues in section one of this forum that he thought needed to be discussed, such as the availability of hangars and maintenance.

Mr. Payne asked if that was something that everybody agreed with and everyone responded that yes, it was.

Mr. Young said if it would help, he would be more than happy to go through how they price fuel.

Mr. Hobbs said we did not need to do it right now but somewhere down the road, depending on which way we go, we would want to get into details.

Mr. Payne said the point of today's discussion is addressing whether it is Freedom Aviation that is providing the service or the City providing the service.

Mr. Courtney said we understand that there are other methodologies as well to accomplish the same type of oversight.

Mr. Hobbs said we need to have all of the options before we start making the decision.

Mr. Nowlin said we offer so many assets on this field from a property standpoint and he said he thought we had to come up with a plan that meets the needs of both the flying public and the educational institution that are a major part of the operations of this airport. He said the hangar space that is now available is under the proposal to assign the lease entirely to Freedom Aviation. This would grant the exclusivity to Freedom to decide who is going to base their airplanes in Lynchburg. He said he thought the airport operator needed to have some say as to how and by whom those properties are occupied. He said he thought that was the feeling that he got from some of the discussions on the 11th and he said he thought they were valid. The Commission went on to further discuss the issues in depth.

Mr. Courtney said he would like to note and the Commission is aware there is an FAA approved Airport Layout Plan that is driven by our Master Planning Process and subsequently approved by the FAA. We would have to go back to the FAA to make any changes but just about everything that we have been discussing is consistent with the ALP in general. There are specific sites that either have been identified and are in the process of being improved right now or will be improved further this Fall for sites that will be more shovel-ready for expansion of new facilities. He said we do have some sites identified and approved.

Mr. Hobbs said under the new ownership Freedom Aviation offered to pay \$16,000 per month, as opposed to \$11,000 which is currently being paid, which means it is going to cost me more because it is costing Freedom more. Additionally, in item number two, Virginia Aviation will reserve and limit the use of the general aviation terminal exclusively for general aviation services to benefit general aviation _____; in other words neither Virginia Aviation nor Freedom Aviation will conduct its flight school training in the GA terminal and since you cannot do that now under the existing lease, you are not offering anything new.

Mr. Young said that was a concern _____ so they were actually guaranteeing that they would not do it.

Mr. Hobbs said that was not something that was on the table, that is something that is already in existence and cannot be changed. He said so it is not a benefit to the City. He said item two is no benefit to general aviation.

Mr. Payne suggested that perhaps Mr. Courtney could explain the issue to the Commission.

Mr. Courtney said 84% of the GA Terminal is considered public space and was funded with State Grants and the other 16% is considered by the State to be private space and it can be revenue producing since the airport paid for that.

Mr. Young said that he fully understood what was being said; however; going into this, this was one of the major concerns that had been voiced when they offered these at proffer so we are just guaranteeing to the public that we have no intention of doing so whether we could or not.

Mr. Hobbs said item two is of no benefit to the City as it is something that they already have. He said item three, \$100,000 each year for GA facility enhancements and he said that was a little nebulous to him. He said he did not know

where the City stood on that but, again it is an extra cost, you have to make a profit and you are charging \$100,000 extra and he as a private pilot has got to pay for it. He said he just wanted to point it out because this was just rehash of old stuff. He said he thought their line service under Mr. Gibson was at a level that was more than acceptable. He said to upgrade it is going to cost... the MRO, that is going to happen whether you do it or someone else does it, it is not something that he saw as an offer by them to undertake, so that is not a problem.

Mr. Hobbs asked if there was anyone else.

Mr. Young said because Mr. Hobbs had publicly stated his opinion on it, he wanted to make sure that the public understood via the Commission because there is no automatic assumption about the fact that they would do any of these things but is the cost is going to go up _____ no, I do not think it would _____ that. There followed an in-depth discussion.

Mr. Courtney said just to clarify Mr. Dodson's comments, if a long period of time has elapsed when a facility lease comes up, an FBO for instance, typically airports, through an appraisal or some type of market rent evaluation, get a professional third party to come in and provide an appraisal which then constitutes the minimum bid based on your minimum standards requiring all these services in a leasehold facilities. You then go out for bid with that being the minimum bid and if in fact there are competitors bidding and they bid \$20,000 or \$30,000 more so be it, that becomes the new market value, but we have not had that at this airport since 1998 [for the Virginia Aviation leasehold]. Additional discussion ensued.

Mr. Hobbs said what he thought really came out, at least at the table where he sat was, OK meet the School of Aeronautics needs, whatever you want to do, facilitate it, make it work, make it grow but don't do it at the expense of general aviation. He said he thought the feeling was the general aviation local population was being bumped one step down behind 300 flight students and that was the overall concern; we do not have an alternative if the 300 flight students are first both in aircraft instructors and maintenance; we become second class citizens.

Mr. Young said they had addressed that issue from his perspective. He went on to further explain and discuss the issue.

Mr. Payne said that Mr. Young was prepared to come into the meeting today with additional proposals and he had told him not to, that it was too early that we needed to understand what the issues were. More in depth discussion followed.

Mr. Bert Dodson asked Mr. Payne if he and Mr. Courtney were representing the City in the discussions with Liberty.

Mr. Payne responded that they were representing the City but not the Commission.

Mr. Dodson said Mr. Payne could not represent the Commission because he was in kind of a tenuous position so his question was, would the Commission feel comfortable with the Chairman being part of that group representing the Commission. He went on to further discuss Mr. Hobbs credentials and to state that Mr. Hobbs had direct interest for the Citizens of Lynchburg.

Mr. Payne said he would leave that in the hands of the Commission. Mr. Payne went on to explain the process moving forward. A general discussion followed.

Mr. Payne said he would say that Option 1 is the proposal, the request of Freedom Aviation to assume the lease rights of Virginia Aviation and in essence waive the provision of the Virginia Aviation lease that says the lease terminates if Virginia Aviation was sold. He said that in a nutshell is what he thinks was asked so that is Option One. He said Option Two would be to say no to Option One, so we now have the opportunity to either negotiate a completely new proposal with Freedom Aviation, and that none of the terms of the Virginia Aviation lease would apply unless we all agree to put them in a new agreement. He said Option Three would be for the City to take over certain services here in terms of fuel, hangar space, Option Four would be for the City to hire a third party person to do some of those things.

He said in essence that is a subset of the City taking over certain services. He said then there is another Option and that is for the City to take the Virginia Aviation facilities and issue an RFP or a bid and say we want to see whoever out there is interested in bidding on this. At this point another discussion ensued.

Mr. Payne said this was why he had wanted this discussion today because there are multiple paths here and we are going to have to try to go down three at once or it would be a lot easier to go down one but....

Mr. Hobbs said he did not think we fleshed out all three paths to our satisfaction.

Mr. Bob Day said no and we had not received the ideas yet but he would assume that when they come back, if they come back with just one proposal it is going to be the Freedom Aviation proposal, if they come back with two, three or four, what we are looking at is some City staff recommendations on how to go. He said we will see the total package and all of the recommendations and give our opinions.

Mr. Payne said it is possible that we could come back with two recommendations. He said he thought that we needed to respect any proposal that comes from Freedom Aviation but there could be a separate proposal in which he and Mr. Courtney say the City is going to take this all over and that we had an obligation if we are going to do that to tell the Commission in the same level of detail as Freedom about how we are going to operate that business. He said his assumption was that if ultimately the option of the City taking over is not acceptable then we better make sure that we have some these assurances to address these concerns in what we negotiate with Freedom Aviation.

It was asked if we were going to call a special meeting and Mr. Hobbs said he thought that was what Mr. Payne had already indicated.

Mr. Payne said he would like to have a meeting later in September or early October to get this group together. There followed discussion regarding the date for the meeting.

(5) MISCELLANEOUS BUSINESS

A. Inquiries and/or comments by Commission Members.

Mr. Hobbs asked if there were any inquiries or comments by Commission Members.

There were no other inquiries or comments.

(6) REPORTS OF AIRPORT BUSINESSES

Mr. Hobbs asked if there were any reports of airport businesses.

There were none.

(7) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

Mr. Hobbs asked if there were any questions or comments from the citizens present.

Mr. Young said he had first shot and asked if any other citizens wanted to speak.

Mr. Don Banker said he just wanted to say Freedom is a private business and I know we kind of lump it with Liberty and he said he was not sure that was totally fair, maybe partially fair, but in all fairness to them and he said

he knew how politically charged this is and how many owners are involved in all this process but just dragging this on for Freedom and for the airport users it is not good. He said he knew this was a very thoughtful process that we are going through but just moving it down the path is not good for the community, it is not good for the users of the airport, it is not good for private business. He said this is an opportunity to find some ways to get this down to what needs to be done and let's move forward, let's get City Council charged with what needs to be done and move forward. He said that was his only comment and that's let's get something done.

Mr. Young said he had just a couple of thoughts; the thing that he has sensed over the last month or two is they do not want this to be an adversarial relationship. He said he had been in aviation for almost 50 years now and he has a personal vested interest. He said the school of aeronautics started 10 to 12 years ago with four students and he had been involved in that process for its entire growth pattern. He said we are invested in this, when he looks at Freedom Aviation or Virginia Aviation, we are general aviation, that's who they are, whether its corporate or student training or selling fuel or hangar space, that is who we are, we are general aviation and we want to work together with the Airport Commission, with the City, with Mr. Payne, with Mr. Courtney, our future is your future.

He said he thought there were tremendous opportunities at this airport if we just put our heads together so long range planning, the immediate needs, all of that has to be addressed. He said there is one thing that has never really been mentioned and he said he applauded what Mr. Courtney had to say about the airlines. He said he and Mr. Courtney sat together in a briefing about a week ago at the Annual Aviation Conference and he thought one fact that we have to realize is what the future of this airport is. He said we are one commercial airline away from not having air service and what the data will tend to tell you now, don't be fooling around with trying to bring in new service but retain the service that you have and the only way you are going to bring in new service is you have got to create a business model that they want to be here for and that business model is generally business flyers. He said if we don't create more business flyers then we are at risk for airline service.

So when you take a long term look at this airport, what do we want it to be? He said the School of Aeronautics is just about capping out, they are in various locations and they are looking for places to expand because this airport can only handle so much and they are not really encroaching that much on the airport right now. He said they have plans to grow and support their growth here but then again look at general aviation, commercial air service on this side of the field and on the other side you have general aviation. He said they want to work with the City Planners, they want to work with the Airport Commission and we can talk about what happened on the 24th of June. He said that was a reaction quite frankly to the fact that the Airport Commission had denied our request for the lease reassignment so they said alright we are going to continue to move our business model forward and they purchased Virginia Aviation. He said that was what he wanted to say to everyone.

There were no other comments from citizens.

(8) ADJOURNMENT

There being no further business, the meeting was adjourned.

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION
SPECIAL MEETING**

October 27, 2014

4:00 p.m.

PRESENT:

Robert Day
Stewart Hobbs
Don Brown
Kimball Payne
Bert Dodson
Debra Allen
Lynch Christian
Charles Nowlin

ABSENT:

Mike Davidson

STAFF PRESENT:

Mark Courtney, Airport Director
Rick Stein, Deputy Airport Director
Wes Campbell, Airport Finance Director

NOTE: The audiofile of this meeting in its entirety has been posted to the Airport's website at: <http://www.lynchburgva.gov/airport-commission-minutes-audiofiles>)

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m. Mr. Stewart Hobbs said that Mr. Mark Courtney would make a presentation, followed by the consultant, Carolyn Strock, who would also make a presentation, then the staff would make a presentation, followed by a public comment period. The Commission members would then hold discussions and make a recommendation. He then turned the meeting over to Mr. Courtney.

(2) To consider the recent acquisition of Virginia Aviation by Freedom Aviation as it pertains to the disposition of certain leasehold rights for the use of Fixed Base Operation (FBO) facilities at Lynchburg Regional Airport.

a. Staff Introduction

Mr. Courtney explained to the Commission that the spreadsheet that was distributed to the Commission was developed to compare all four options that had been considered. He said everyone understood that the first two options are the ones that we have mainly been pursuing, but the Commission had expressed interest in

both Options #3 and #4; that is, either a straight out rebid on the Virginia Aviation leasehold or some type of management contract for the operation of a second FBO, utilizing the Virginia Aviation facilities.

He then introduced consultant Carolyn Strock, and gave a summary of her professional qualifications and experience.

b. Consultant Presentation

Ms. Strock began with a PowerPoint presentation which is attached. [The following summarizes various questions raised during her presentation.]

Mr. Lynch Christian asked for a breakdown of the roughly \$200,000 in salaries in her operating cost budget, taking into consideration 3 shifts or 2 shifts, how many people are on a shift, what kind of staffing was put behind that number.

Mrs. Strock said based her numbers on two sources, one being the Lynchburg census for salaries for like jobs in the area and the other was based on the airport and the skill level necessary to be in that position. She said she came up with one line chief, two customer service representatives and four additional linemen for two shifts.

Mr. Hobbs asked if that was one line chief and four lineman per shift.

Mrs. Strock said no, that was the total, and that staggering the start time and the lunch times and so forth would make that work. She said also one of the things that was outlined in the presentation is that maintenance personnel should be cross trained to assist in a pinch or during heavy fueling demand. There followed a general discussion.

Mr. Christian asked where the numbers for the parking and ramp fees came from, was it something that was provided by the Airport Commission staff or was it based on her experience.

Mrs. Strock responded that it was a combination, a combination of what the airport was getting on their T-hangars, what the airport was getting on other hangars. She pointed out that the airport had not made any money for the last 5 – 7 years on Hangars 1 and 2, so she said she upped those up about 8% just to get a return on investment. She further explained the issue.

Mr. Courtney said we do make a distinction between those hangars that may end up being leased out to another business or a single operator that is more turn-key with their type of operation as opposed to those that house individual aircraft that will need add-on services, tugging and that type of thing, which commands higher revenue for hangars than a straight lease.

Mr. Bert Dodson asked Mrs. Strock when she was in Parkersburg if they had lost air service over the years or if they had stabilized commercial air service.

Mrs. Strock replied that they had lost Mesa Air and ended up with essential air service which was a nightmare. She went on to further discuss the issue.

c. Staff presentation

Mr. Courtney said he and Mr. Kim Payne had both been having meetings with Freedom Aviation with Mr. Dave Young and Ms. Jenna Campbell on possible options as far as the make-up of a Freedom/Virginia

Aviation FBO operation here, and based on those talks, Mr. Payne was going to give a summary and overview of where we stood and how we came up with these numbers.

Mr. Kim Payne said he did not want to represent his remarks as any kind of an agreement because there is no agreement here; these are the things that were discussed.

He said a couple of the larger issues here were the theme of the airport being a direct landlord for some tenants without going through a middle man, specifically with the Centra lease and Hangar 6 and Smith Mountain Lake Aviation in Hangar 3. The airport has received some interest directly in Hangar 5 as well but it would be misrepresentative to say that Freedom would be willing to give that up without any further discussion. He emphasized that this is a scenario based on the leases for the remaining facilities at market rate. He said regarding Hangar 1 and Hangar 2, we have not done anything in terms of doing an appraisal.

He said this does include leasing the space, the private space in the General Aviation Terminal; however, we have discussed the possibility of leasing the entire General Aviation Terminal to Freedom. He said doing that would require we pay off the entitlement funds as described in note #4 on the comparison spreadsheet. He said there may actually be some financial reason to go ahead and do that based on the market rate rents that could be received for the entire General Aviation Terminal and it would also clear up a lot of issues about how that space gets used. He said that is something that could actually be considered for Option 3 as well.

He said we went back and forth on a timetable for this and this was structured as a two and one half year provisional lease, which is a little bit less than the time that remains on the current lease, but it would get us to the end of a fiscal year basically, through June of 2017. He said we had talked about a lease as short as two years and then just figured that we ought to go ahead and align this. The fuel farm agreement would remain on a month-to-month basis, and that how we manage that...and if it continues to be managed the way it is now... that would certainly be an option.

He said they had encouraged Freedom to build their proposed hangar for their other aircraft storage, and he said he thought that what happens with Hangar 5 might have something to do with that. He said they had also discussed the idea of self-service fueling as being an option on either Option 1 or Option 2.

He said we have also discussed going forward that any facilities that are built for the Liberty School of Aeronautics would be handled as a separate lease, or a separate franchise, on the airport to keep the distinction between Freedom Aviation, which is the private business, and the Liberty School of Aeronautics, which is the school related activities.

He said in essence this doesn't completely grant what Freedom asked for, but is something that moves in the direction of giving the lease for a period of time to see how Freedom Aviation does operating the FBO...all of the facilities except for those that would be excluded for that period of time.

d. Public Comment Period

Mr. Hobbs asked Mr. Dave Young to start off with his presentation.

Mr. Young gave a presentation which is attached.

There followed a public comment period with additional questions and comments from various Commission members, the City Manager as well as other members of the community.

The audiofile of this meeting in its entirety, including the public comments, is available on the Airport's website at: <http://www.lynchburgva.gov/airport-commission-minutes-audiofiles>)

(3) Commission deliberation and requested action:

The Commission will review and discuss the FBO facility-use options under consideration for the purpose of making a recommendation to Lynchburg City Council.

Mr. Hobbs stated that the public comment period was over and asked if anyone on the Commission or staff, Mr. Courtney or Mr. Payne, had any comments.

Mr. Lynch Christian said he had a couple of questions. He said he was looking at Freedom's modified proposal and he wanted to be sure that he understood it. He said it models Mr. Courtney's Option 2 which is right out in Mr. Courtney's comparative column but it has some changes. He said the lease term is the same, retaining management and operation of fuel farm is the same, retain all hangars and facilities currently under the VA Aviation leasehold but there is a _____ applied to _____ hangars 3, 4, and 6 _____ go directly to their airport and _____ would go directly to their airport. He said so Centra for example would be directly to _____ airport and 4 down on the end would be directly.

Mr. Young responded that yes, it would.

Mr. Christian asked...what about Smith Mountain Lake.....

Mr. Young responded that would be directly to the airport because they are Hangar #3. He also said that would free-up Hangar #4 so any pilot that wanted to deal directly with the City, for Mr. Courtney to provide hangar space as he has expressed he has _____ of doing.

Mr. Courtney said he would like to back up for a minute. He said the problem with Hangar #4 is that it is a conventional Hangar and we do not have the FBO line operation to be able to move the aircraft in and out so there is no way to move the aircraft.

Mr. Christian said, so from your position, you would rather 4 stay....

Mr. Courtney responded that yes, unless we were in a limited FBO operation scenario in which case we would have line personnel that could move the aircraft.

Mr. Christian said what about 3?

Mr. Courtney responded that 3 would be something that, he thought most of the aircraft owners there, smaller aircraft, they are able to pull their aircraft in and out themselves.

Mr. Christian continued his questions of Mr. Young who responded accordingly.

Mr. Payne said if he could clarify that, in the July 23rd letter which they kept talking about as being the proffer letter, there was \$60,000, \$59,472 additional rent for the Virginia Aviation leasehold.

Mr. Christian said...and now that has been increased to \$100,000.

Mr. Payne said, as Ms. Jenna Campbell was explaining that would be on everything, within everything the City would lease to the new combined entity, would be up for negotiation.

Ms. Campbell further explained.

Mr. Payne said Mr. David Falwell was exactly right, it was about the fuel but it is also about the GA Terminal because those two are so closely linked together.

Mr. Hobbs said...so Mr. City Manager, is this something that is still open to negotiation?

Mr. Courtney said excuse me, and asked if he could clarify. He asked if Mr. Hobbs was talking about Option 2 as being....

Mr. Hobbs said he was talking about what Mr. Young gave.....

Mr. Courtney said the intention with Option 2 was always recognizing the fact that we had only reached a certain point as far as the basic structure of where we were in negotiations for that possible option. He said we always understood that if that option were to be pursued, we would still have to go back to the negotiating table and start putting the final proposal together...but the key is staff was looking at this as an opportunity to say through this process: OK, the decision has been made to go with Option 2, it goes back to staff to negotiate with Freedom on a more specific breakdown and more specific mutually agreed upon conditions and commitments, then we can bring it back. It is ultimately set to come back anyway.

Mr. Hobbs said what you need at this point from us, was whether we want to go with Option 1 or go with Option 2.

Mr. Courtney said...or Option 3 or 4 if you want to discuss those.

Mr. Hobbs said he thought they had sort of passed that line.

Mr. Payne said what Council had asked them to do when this went to Council was to come back with kind of a cost-benefit analysis which this spreadsheet is an attempt to do. He said he thought again that Mr. David Falwell had summed it right up, it is a philosophical issue between who is going to control the public asset that is the airport, whether it is going to be controlled by the City, the City will still own it but whether it will be leased to a private entity and so in some cases it really depends on how you feel about who should be running things...which is a very reasonable thing to have difference of opinion about. He said Council did not seem to be of one mind either, so they asked us to bring all these alternatives and some analysis.

Mr. Don Brown said Option 2, you want to operate the FBO but you are going to give up Hangar 5, is that what I'm hearing.

Mr. Payne said that is what we proposed but that is not what....

Mr. Brown said that is what is on Option 2, that they give up Hangar 5 and Operate Hangar 1 and the FBO.

Mr. Courtney said Option 2 includes, and was intended to contain, a certain amount of divestiture of the assets of Virginia Aviation, primarily to avoid problems with exclusive rights violations...but nonetheless from our basic discussions we were in agreement that there would be some divestiture of those facilities. He said we are at a point now that Hangar 5 is a sticking point, just like Hangar 4 is a sticking point for him now because he said he really cannot take Scenario 2 with Hangar 4 because he cannot service those aircraft...but that does not mean that we cannot continue to negotiate the Option #2 to be able to come to some type of agreement or sweeten the deal or.....

Mr. Hobbs said if we are talking about Hangar 5 being a hang-up then he understood where Mr. Moorefield was coming from. He said you are talking about building two hangars...is one of those a replacement for Hangar 5?

Mr. Young responded no because they were fully occupying Hangar 5 right now. He said one thing he would comment on as far as 1, 3 and 4, they are willing to keep those as well. He said they were trying to offer them to the City, options for satisfying supporting the GA pilots.

Mr. Payne said we started this by being particularly focused on the Centra Hangar and Smith Mountain Lake, that we did not see any reason to have a middle man in a direct lease of those facilities. He said in the meantime as these discussions have gone on we have actually been approached by somebody who says they are interested in putting a large aircraft in Hangar 5 and there is nowhere else that it will fit right now. He said they are probably talking to the same person, we just want to satisfy that aircraft owner. He said he really did not care where, he just wanted to satisfy the aircraft owner.

Mr. Young said they could do that with the current Hangars that they have without displacing the business that is going on in Hangar 5.

Mr. Brown asked how they would do that if it would not go into Hangar 5 where would you put it.

Mr. Young responded that they would put it in their new Hangar. [It was established that the new Hangar was the Falwell Hangar.]

Mr. Payne said just for total clarity there is a third Option for an owner of a large aircraft, the owner of a large aircraft can build their own hangar if they wish and we are certainly open to that.

Mr. Bob Day said he would like to go back to what Mr. David Falwell said...he said he thought that he had captured the essence of this issue directly, and that is it is the fueling. He said everything else you can talk about on the margin, but right now according to the spreadsheet and his notations, if we go with the Liberty/Freedom Aviation portion the City's revenue is going to go up by some \$60,000 - \$70,000, but if the City takes over the fueling and become a limited FBO, the City's portion of the revenue is going to go up maybe \$250,000 - \$500,000 compared to what they are making right now. He commented that that is a lot of money for the City that stays on this airport.

Mr. Day said it is going to enable this airport to do three things that they cannot do today: He said the first is to answer a lot of the suggestions from the general aviation community that we heard in the forum that we cannot do today because we do not have the money. The second is if a new airline comes in here, or some new flights are at risk and we have to discount the fuel, or we have to do something to entice them to come, then the airport will have the money to be able to do that. Lastly, if someday some MRO shows up here and we have got to work with the EDA and try to get them in here then we have some money to play that game in terms of designing the building or doing _____ but you do not get a whole big industry coming in here unless you have the money to spend and right now we don't have any money to play that game.

Mr. Day said this land is the only land that the City has that is really developable, and if you look at their strategic plan that they put out in 2014, there isn't any place else in Lynchburg that they can really grow and bring in jobs except this place right here and we have got to have some money in order to play that game for economic development. He said he thought it was about fueling and he thought it was about money...that is why Mr. Young is interested in it. He said he tips his hat to everything that Liberty has done over there, they are growing at a fantastic rate and they were running a great business. He said it is important for this municipal airport to have the fueling, to have the money so that it can control its growth. He said if we don't do that, we simply say goodbye to our future and other people decide that for us, and he said that he was not willing to give up.

Mr. Bert Dodson said he served 12 years on City Council and Mr. Hobbs served 2 and they always did the budget and every year they had to see how much subsidy the airport needed from the City. Over 18 years the City taxpayers, not Bedford County, not Campbell County and not Amherst County, but the City taxpayers paid \$8 million to subsidize this airport and that is the bottom line figures that he asked for this morning that Mr. Wes Campbell and Mr. Courtney gave to us.

Mr. Dodson said he always wanted to have an Authority. He said we are the only airport in the state run by City government that does not have an Authority. He said Campbell County and other counties were not willing to go in with us as an Authority where their taxpayers would have to subsidize the airport similar to the City of Lynchburg.

He said as far as the \$200,000...the \$310,000, flip a coin maybe \$250,000. He asked when Mr. Payne retires one day, who is going to replace him with airport experience? He asked when Mr. Courtney retires one day who is going to replace him? He said we need an Airport Authority here and this is a wonderful opportunity to establish an Airport Authority by taking over the services outlined in Option 1.

He said that, with all due respect to Freedom Aviation, he thought they would be successful regardless of what happens...but almost \$8 million of City taxpayer dollars over the last 18 years has gone to operate this airport and now, there is no way that the City can get the money back because of the enterprise fund, but we can take the money that we make off the fuel farm and other entities and hopefully create an Authority in the future that we can grow.

He said we have a wonderful opportunity, not just today but 5 to 10 years down the road to set the platform for this Airport Authority to be established, for jobs to be created. He said he does the pest control for the Richmond Authority and they have always got something going on, and to make a long story short, we have an economic engine here that people replace us in the future, replace the City Manager or the Airport Manager can really jump start the economy a great deal in relation to economic development.

Mr. Courtney said he would just like to add one thing relative to the airline industry...the industry is changing and consolidating quite a bit, but things are stabilizing as the airlines have been more profitable this last quarter than they ever have in history. They are actually generating operating margins of anywhere from 10% to 16% for the majors and that is unheard of.

He said there are opportunities with ultra-low-cost carriers, and he actually has one ultra-low-cost carrier that expressed interest in Lynchburg. There are other opportunities for expansion of existing service because of the retirement of the 50-seat Regional Jet. Opportunities like American, US Airways/American as they start moving to 70-76 seat aircraft to replace those. And now, we are financially healthy as well.

He said he just had Mike Boyd send him an email over the weekend saying that there are real opportunities for us to upgrade because we have the fare yield, we have the size, we have the basic market demand and sufficient passenger flow to be able to support those larger aircraft both from a revenue standpoint as well as number of passengers.

He said...so there are serious opportunities to be able to utilize revenues like this to be able to provide deep discounts for fuel. He said Ms. Strock had found some airports for a period of time would offer no into-plane fee because of the tremendous increase they get in parking lot revenue. We could also offer reduced ground handling services, other inducements and financial incentives to get another airline here.

He said he had just attended World Routes Airline Planners conference in Chicago, and airlines are starting to look for opportunities because they are profitable, they have stabilized...and those airports that are most aggressively incentivizing are going to get the opportunity to be able to get that service.

Mr. Hobbs said at this point someone needs to make a motion as to what we recommend as we are a recommending body to City Council for the future operation of what goes on at this airport.

Mr. Dodson said he moved to make a recommendation to Lynchburg City Council to exercise Option #1 on the list that we have in relation to our decision.

Mr. Bob Day seconded the motion.

Mr. Hobbs said the motion is moved and seconded, is there further discussion. He said with no further discussion he would call for a vote by a show of hands. He then said all in favor raise your right hand.

The motion passed on the following vote:

Mr. Payne did not vote and Mr. Christian abstained with all remaining members voting for the motion. Mr. Davidson was not in attendance.

Mr. Hobbs said the motion carries.

(4) Adjournment

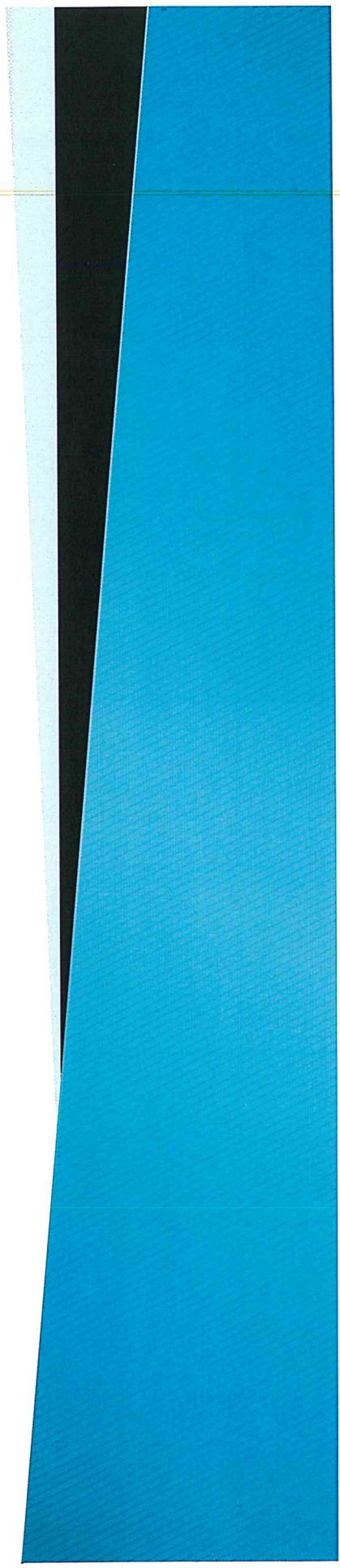
There being no further business, the meeting was adjourned.



Carolyn E. Strock, A.A.E., MBA

C. E. Strock Consulting

Lynchburg Regional Airport Airport-Operated Limited FBO Report



Lynchburg Regional Airport Airport–Operated Limited FBO Report

This study was commissioned to determine the financial impact of an Airport–Operated Limited FBO.



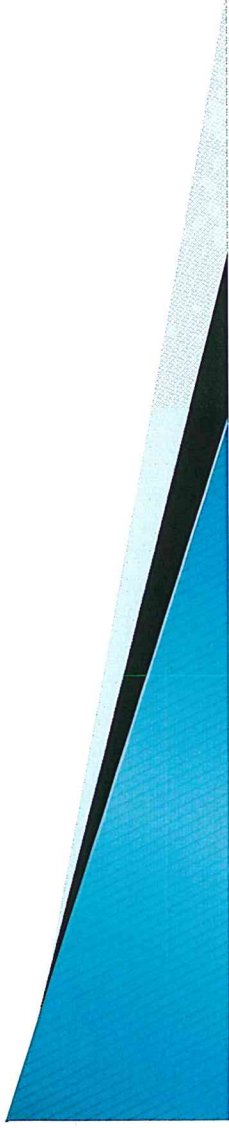
Lynchburg Regional Airport Airport-Operated Limited FBO Report

- ▶ The Airport is a business which has been in operation for many years offering various aeronautical services. Adding a Limited FBO business to this already thriving Airport business will not be the same as creating a new business. It will be an expansion of an existing business; therefore, revenues and expenses are stated as changes to the existing budget of the Airport.



Lynchburg Regional Airport Airport–Operated Limited FBO Report

- Strategic Plan calls for the Airport to:
 - Provide a full range of quality aeronautical services;
 - Operate in a self–sustaining manner;
 - Optimize airline & General Aviation services; and
 - Operate in the public interest:
 - Safety
 - Customer–focused
 - Financial responsibility
 - And **maintain a competitive Airport Business Environment.**

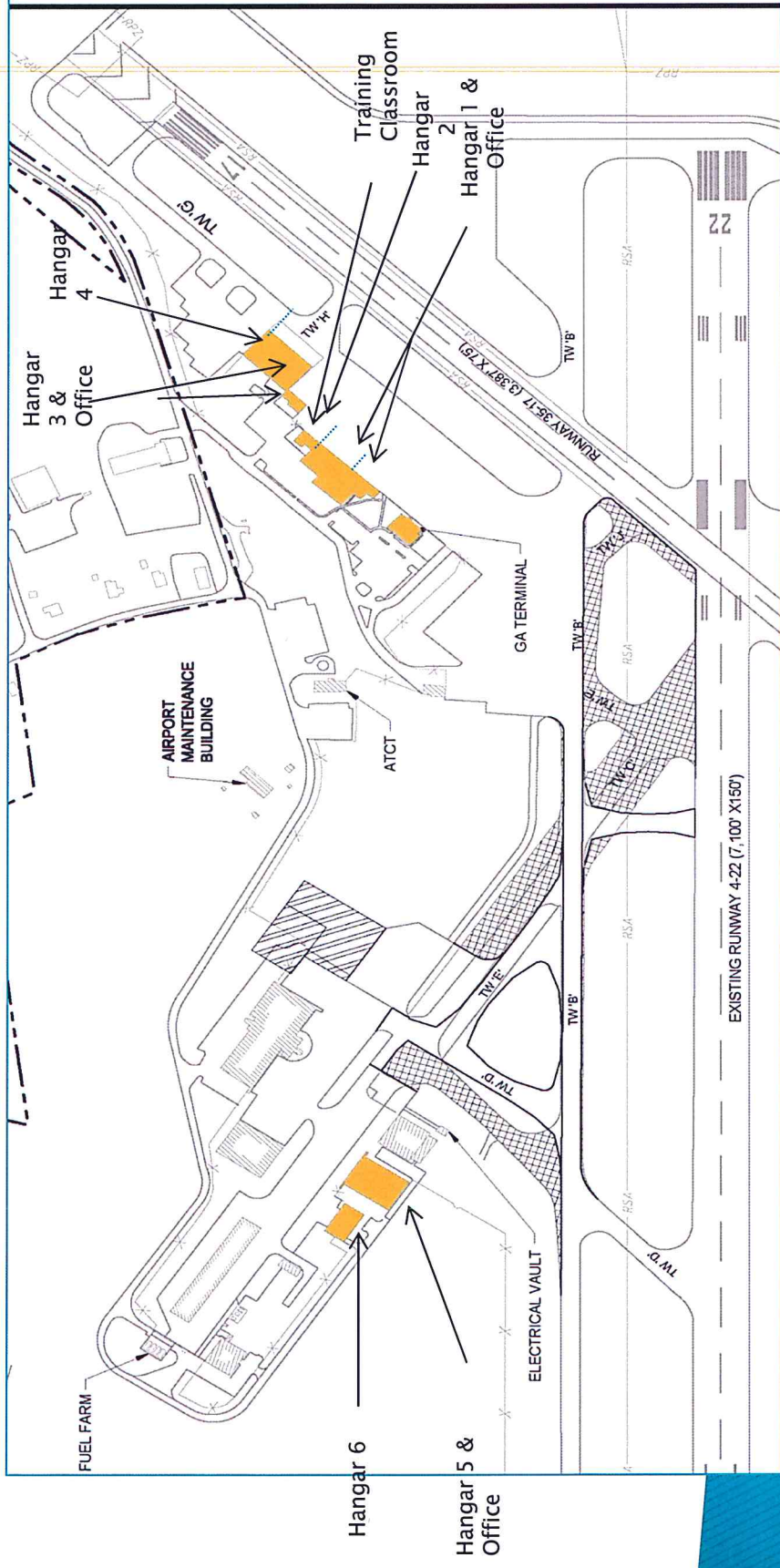


Lynchburg Regional Airport Airport–Operated Limited FBO Report

- ▶ Financial Analysis
 - Airport–Operated retail aviation fuel business;
 - Exclusive rights on airline & military fuel;
 - Other aircraft services, but not maintenance;
 - Hangaring of aircraft;
 - Business operated out of GA Terminal;
 - Airport will enter into a fuel supply contract;
 - Employ & train Line Service employees; and
 - Airport handled quality control



Lynchburg Regional Airport Airport-Operated Limited FBO Report

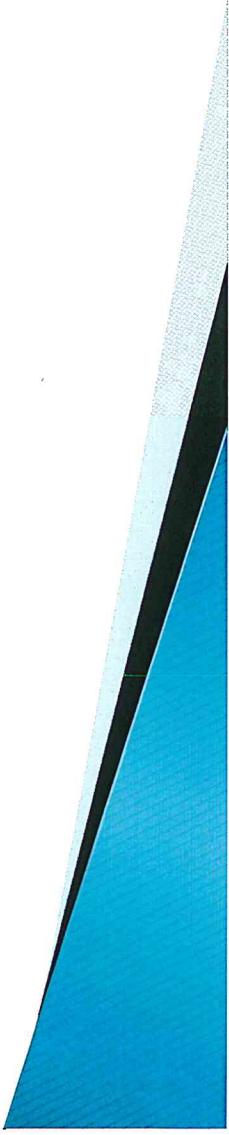


Lynchburg Regional Airport Airport-Operated Limited FBO Report

▶ Start-up Costs

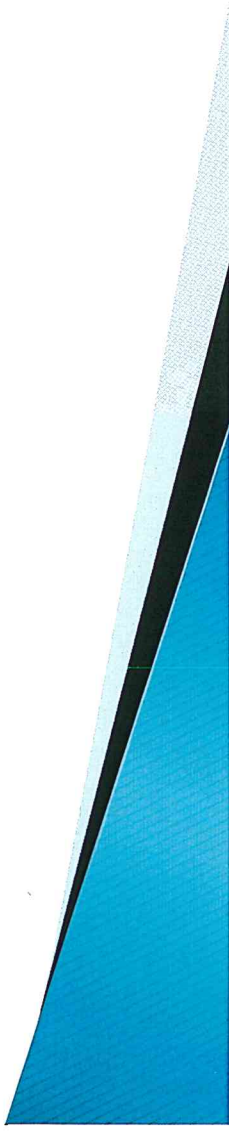
The Airport owns the General Aviation Terminal, Fuel Farm, Hangars 1, 2, 3, 4, 5, & 6 and ancillary bldgs. **No immediate improvements are needed.**

- To go into the Limited FBO Business, the Airport would need to purchase and/or lease:
 - Ground Service Equipment
 - GA Terminal Equipment
 - Fuel Farm Supplies (filters, QC, etc.)
 - Supplies & Equipment for Line Service Personnel



Lynchburg Regional Airport Airport-Operated Limited FBO Report

- ▶ Start-up Costs
 - The Airport would need to hire and train Line Service Personnel.
 - Consulting, Legal, Administrative, and Advertising expenses would be incurred.
 - A range of \$128,121 to \$172,221 is estimated for start-up costs. They are amortized for 10 years with equipment depreciated for 5 years (straight-line).



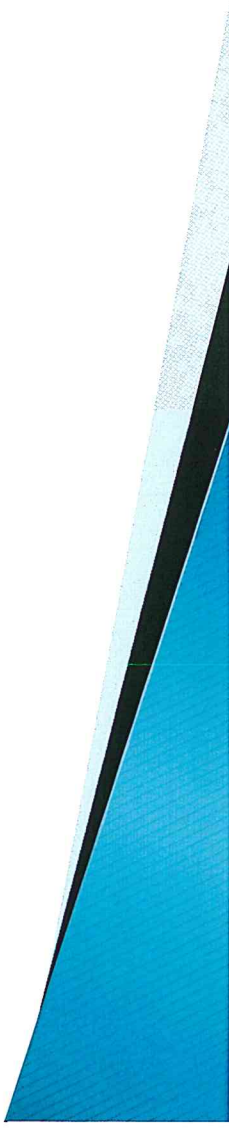
Lynchburg Regional Airport Airport-Operated Limited FBO Report

- ▶ Sales Revenues are calculated as the mark-up on fuel exclusive of the cost of fuel.
- ▶ Five scenarios for sales were calculated ranging from \$725,000 to \$1,078,000 per annum.



Lynchburg Regional Airport Airport–Operated Limited FBO Report

- ▶ Other Aviation Services are projected to be:
\$13,300 per annum
- ▶ Hangar and Tie Downs are projected to
generate:
\$241,587 per annum



Lynchburg Regional Airport Airport-Operated Limited FBO Report

▶ Annual Increased Operating Costs	
◦ Salaries & Benefits	\$300,860
◦ Insurance	12,000
◦ GA Building, etc.	19,000
◦ Fuel Truck Rentals	72,000
◦ Equip & Maint, Supplies	33,320
◦ Credit Card Discounts	34,360
◦ Amortization of Start-up	15,017
◦ Depreciation	<u>8,670</u>
◦ Total Annual Increased Exp	\$497,927



Lynchburg Regional Airport Airport-Operated Limited FBO Report

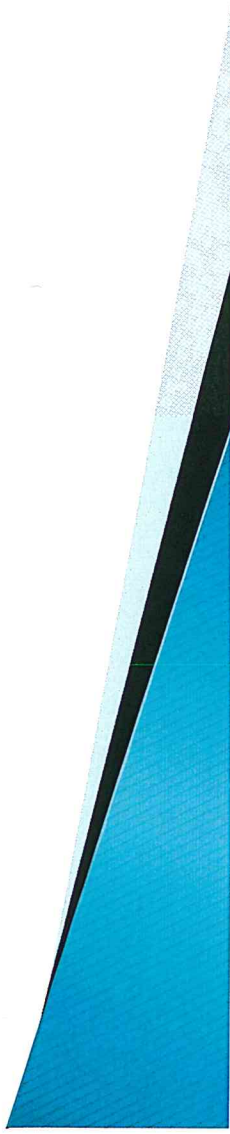
- ▶ Net Earnings projections
 - \$482,000 to \$835,200



Lynchburg Regional Airport Airport-Operated Limited FBO Report

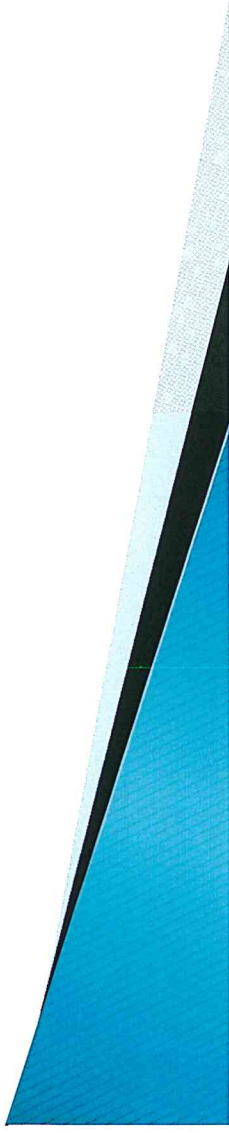
- ▶ Cash flow in five years with 3% anticipated increase in revenues and expenses and no reinvestment of funds:

\$2.5 million to \$4.4 million



Lynchburg Regional Airport Airport–Operated Limited FBO Report

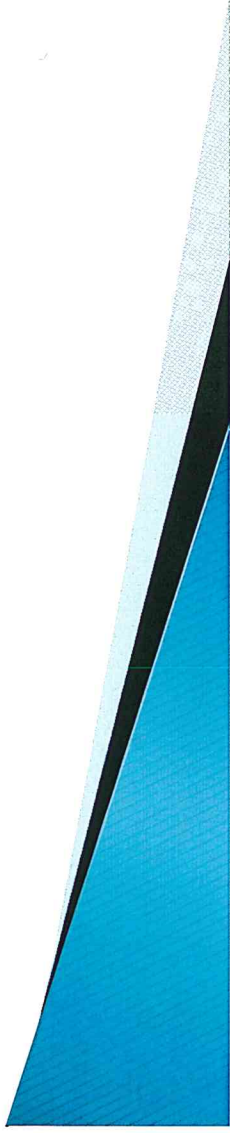
- ▶ Who sells the Aviation Fuel at other Airports?
 - VA, DC, NC, & WV selling JetA
- ▶ Other Airports surveyed:
 - 35% Airports have 1 or more private FBO's
 - 65% Airports have Airport–Operated FBO's
- ▶ Of Commercial Service Airports:
 - 63% Airports have private FBO's
 - 37% Airports have Airport–Operated FBO's



Lynchburg Regional Airport Airport–Operated Limited FBO Report

Airport Managers’ Survey

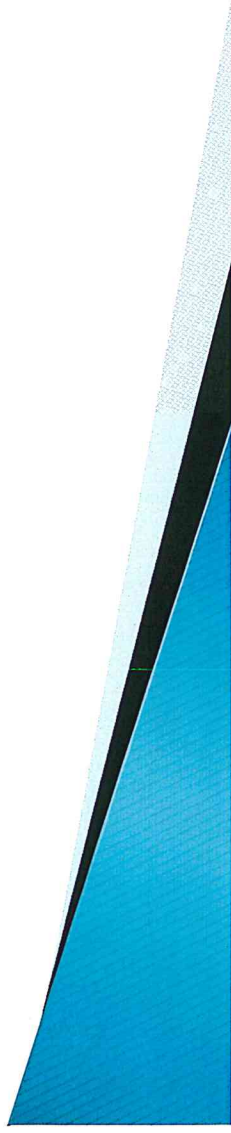
- ▶ Airport Managers who have fueling services have:
 - Better control over customer service;
 - Better control over QC of product;
 - Better control over pollution prevention;
 - Greater ability to attract airline service, ULCC’s; and
 - Greater latitude in working with the GA community to provide facilities & services.



Lynchburg Regional Airport Airport-Operated Limited FBO Report

- ▶ Airport Managers who have fueling services have:

**30 to 50% of their annual revenue
from fuel sales**

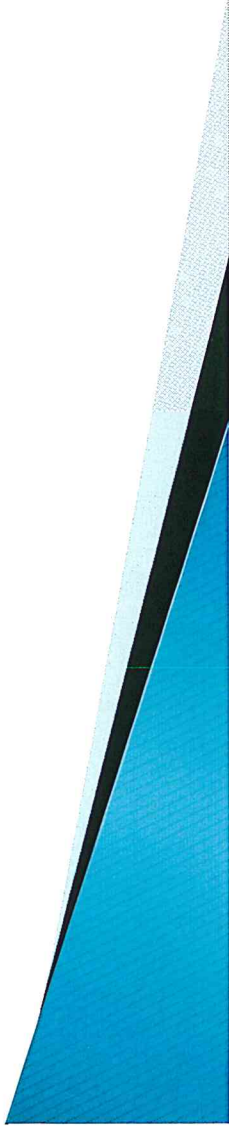


Lynchburg Regional Airport Airport-Operated Limited FBO Report

► Summary

Anticipated Revenues \$725,000 to >\$1 million

- Cash flow over 5 years: >\$2 million.
- Many Airports operate successful limited FBO's.
- Greater control over Airport operations is achieved by an Airport-Operated limited FBO.



Lynchburg Regional Airport Commission

Monday, October 27th, 2014



Option 1 Observations/Concerns

- Salaries to Support Fueling/GA Terminal Operations
- Revenue Projections
- Capital Investment Low
- Competitive FBO Proffers Not Considered



Consultant

Staff Salaries: \$199, 680.00

Conservative Cash Flow (Year End): \$497, 928.00

Virginia Aviation (Current / Historical)

Staff Salaries: \$310,000.00

Year End 2013: \$385,000.00

Difference: \$223,248

Disregarded Income:

Airline / Mil Thru-put Fees: \$40,119.74

Rent Increases (Overall, One FBO): \$100,000.00

GA Investment (Proffers): \$100,000.00

New Construction Land Lease: \$60,000.00

Infrastructure: \$3.2M +

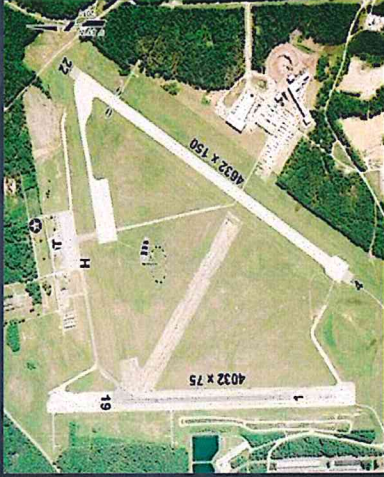
**Total: \$300,119.74 "Lost" Cash Flow
\$3.2M Assets**



Comparative Airports



Wakefield Municipal



Blackstone



Hanover County



Farmville Airport



Louisa County



Risks/Concerns:

- Investing public monies into a “startup” operation
- Fuel quantities projected, not guaranteed
- Reduced airline fueling/Loss of Airline
- Military fuel contract reinstatement?
- Airfield Congestion/No Separation
- Public Benefit?
 - Capital Investment
 - No New Business
 - Events/Community Outreach
 - Operational Hours
- Fair Competition?
- “New” Freedom Aviation



Option 2 Concerns

GA Community

- Reduces Hangar Space
- No real additional revenue, just one tenant vs. another
- Competition is not being created in this scenario, which was a stated point of concern in FA retaining all current facilities

Financial Projection Inaccuracies



Modified Option 2

FA Proposal:

- 2.5 year initial lease assignment
- Management of Fuel Farm
- Retain Hangar #5
- City Takes Hangars 3, 4 & 6

FA Commits:

- New hangar(s)
- Renegotiate lease rates
- Competitive pricing
- GA Investment
- First class customer service
- Full service FBO
- Community benefits
- Pursue new business



Financial Projections to City

Airline / Mil Thru-put Fees: \$40,119.74

GA Investment (Proffers): \$100,000.00

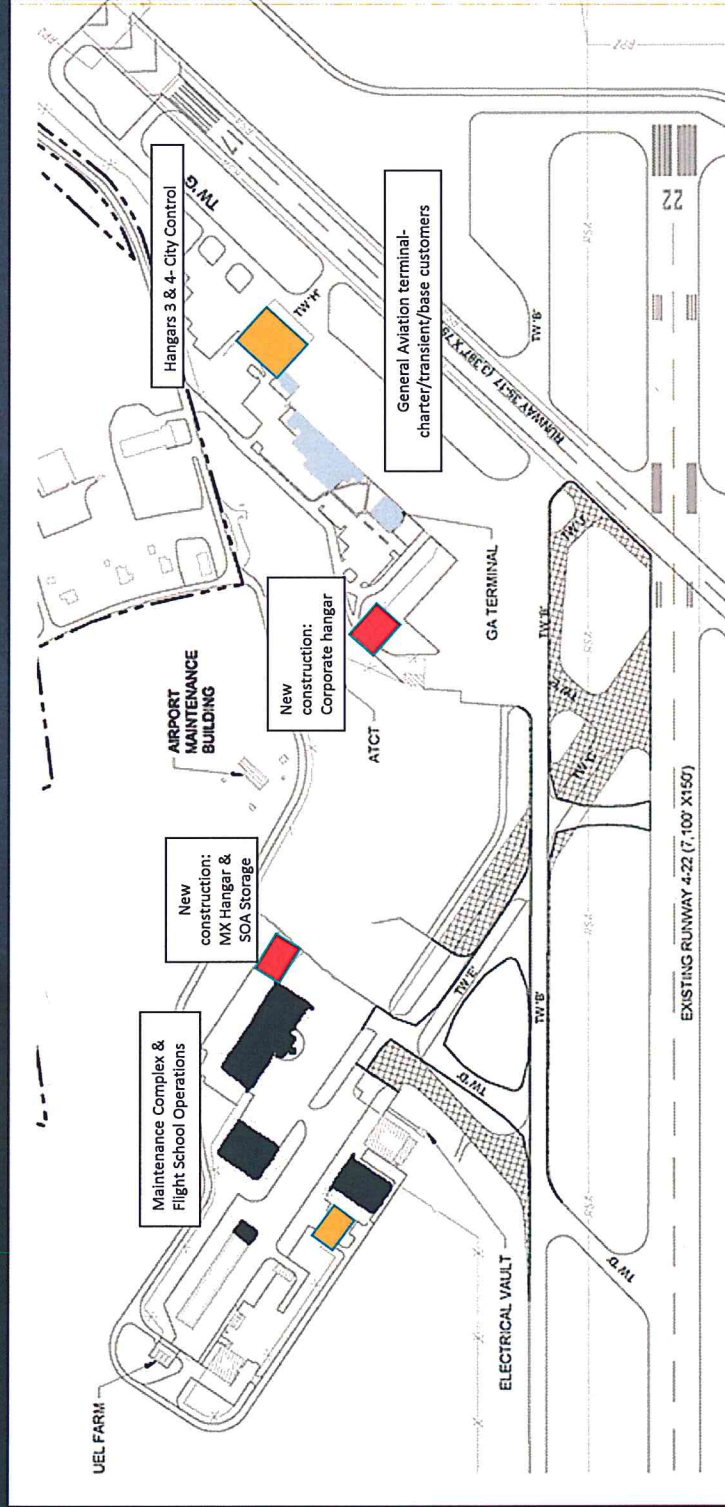
Rent Increases (Overall, One FBO): \$100,000.00

New Construction Land Lease: \$60,000.00

Infrastructure: \$3.2M +

**Total: \$300,119.74 "Lost" Cash Flow
\$3.2M Assets**





Summary

- Private Entity Investment
- Fuel Sale Forecast > Private Entity
- Decongests Airfield
- GA Benefits
- Public Benefits
- New Business > Economic Development/Job Creation
- Long term vs short term strategy





Time Tested. Customer Approved.



Lynchburg Regional Airport Commission

Monday, October 27th, 2014



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- Salaries to Support Fueling/GA Terminal Operations
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- Capital Investment Low
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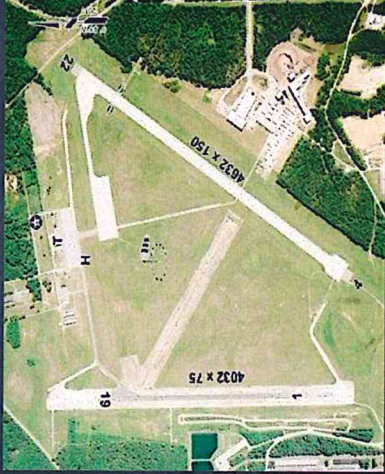
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Comparative Airports



Wakefield Municipal



Blackstone



Hanover County



Farmville Airport



Louisa County



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- Military fuel contract reinstatement?
- Airfield Congestion/No Separation
- Public Benefit?
 - Capital Investment
 - No New Business
 - Events/Community Outreach
 - Operational Hours
- Fair Competition?
- “New” Freedom Aviation



Option 2 Concerns

GA Community

- Reduces Hangar Space
- No real additional revenue, just one tenant vs. another
- Competition is not being created in this scenario, which was a stated point of concern in FA retaining all current facilities

Financial Projection Inaccuracies



Modified Option 2

FA Proposal:

- 2.5 year initial lease assignment
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- Retain Hangar #5
- City Takes Hangars 3, 4 & 6

FA Commits:

- New hangar(s)
- Renegotiate lease rates
- Competitive pricing
- GA Investment
- First class customer service
- Full service FBO
- Community benefits
- Pursue new business



Financial Projections to City

Airline / Mil Thru-put Fees: \$40,119.74

GA Investment (Proffers): \$100,000.00

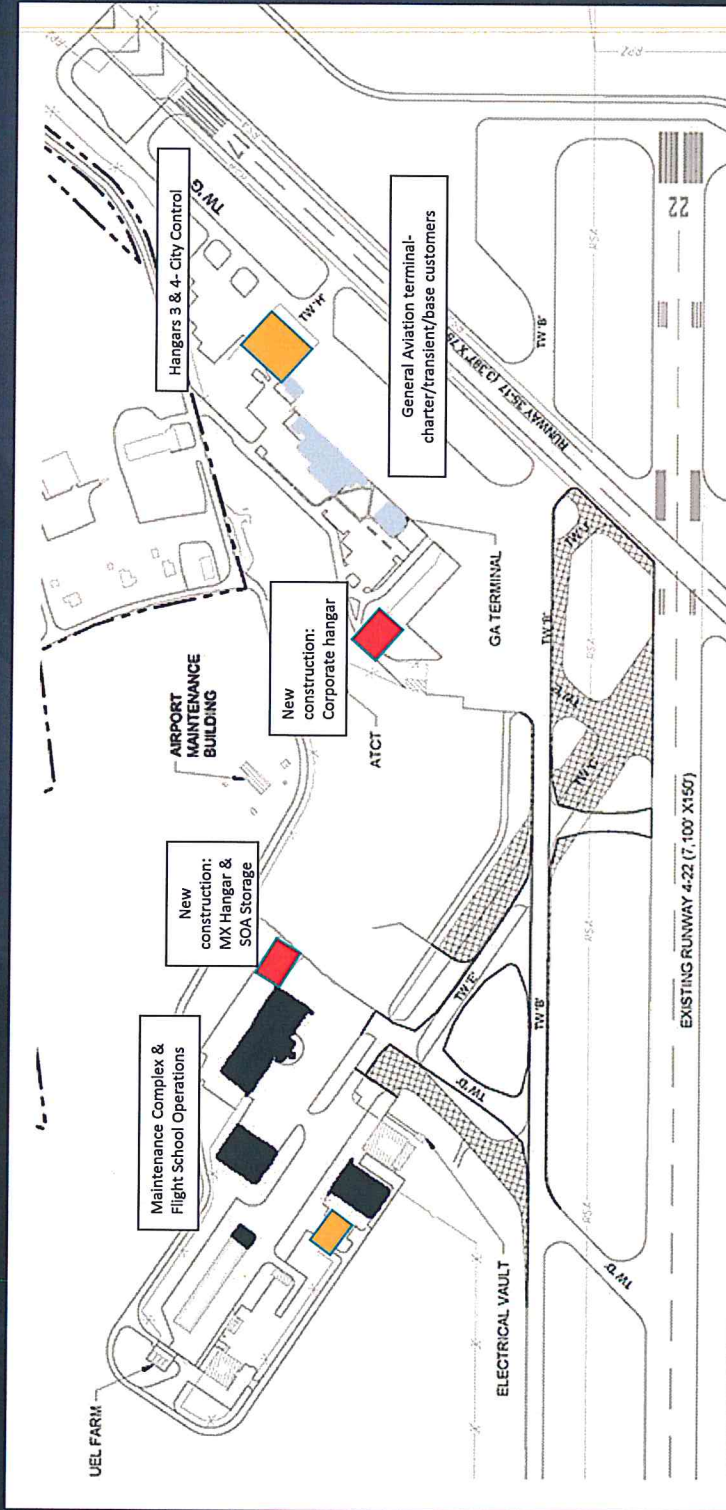
Rent Increases (Overall, One FBO): \$100,000.00

New Construction Land Lease: \$60,000.00

Infrastructure: \$3.2M +

**Total: \$300,119.74 "Lost" Cash Flow
\$3.2M Assets**





Summary

- Private Entity Investment
- Fuel Sale Forecast > Private Entity
- Decongests Airfield
- GA Benefits
- Public Benefits
- New Business > Economic Development/Job Creation
- Long term vs short term strategy





Time Tested. Customer Approved.



**COVER MEMORANDUM**

To: Airport Commission Members
CC: Mark Courtney, Airport Director
From: Wes Campbell, Airport Finance Manager
Date: November 17, 2014

Overview:

The Airport Submitted FY 2016 Lynchburg Regional Airport budget of \$2,430,880 represents a 0.1% decrease of \$2,365 as compared to the Adopted FY 2015 budget of \$2,433,245. Airport generated revenues are budgeted to increase by 6.6% (an increase of \$150,078) which when combined with slightly lower expenses results in the FY 2016 operating subsidy request being reduced to \$0. This represents a financial milestone in the recent history of the airport as annual subsidies to the airport have averaged over \$400,000 per year since the airport became an enterprise fund in FY 1997 and represents the culmination of a 15- year effort by current airport management to gradually reduce and eventually eliminate the annual operating subsidy.

Additional details by individual departments are as follows:

1. Airfield

The Submitted FY 2016 Lynchburg Regional Airport/Airfield budget of \$298,968 represents a 2.0% decrease of \$6,074 as compared with the Adopted FY 2015 budget of \$305,042.

Highlights of the Airfield Submitted FY 2016 budget include:

- \$18,000 decrease in Internal Service Charges by eliminating the fleet capital charge to the airport by agreement with fleet services.
- \$9,100 increase in Other Charges for anticipated increases in vehicle fuel and electric utilities.

2. Terminal

The Submitted FY 2016 Lynchburg Regional Airport/Terminal budget of \$546,874 represents a 0.9% decrease of \$4,929 as compared with the Adopted FY 2015 budget of \$551,803.

Highlights of the Terminal Submitted FY 2016 budget include:

- \$9,500 decrease in Internal Service Charges by eliminating the fleet capital charge to the airport by agreement with fleet services.
- \$4,000 increase in Other Charges for an anticipated increase in electric utilities.



3. General Aviation

The Submitted FY 2016 Lynchburg Regional Airport/General Aviation budget of \$58,211 represents a 5.0% increase of \$2,746 as compared with the Adopted FY 2015 budget of \$55,465.

Highlights of the General Aviation Submitted FY 2016 budget include:

- None

4. Administration

The Submitted FY 2016 Lynchburg Regional Airport/Administration budget of \$675,978 represents a 0.0% increase of \$104 as compared with the Adopted FY 2015 budget of \$675,874.

Highlights of the Administration Submitted FY 2016 budget include:

- \$6,056 increase in Salaries resulting from a position reclassification in FY 2015
- \$6,712 decrease in Payments to Other Funds for the Indirect Cost payment to the General Fund

5. Public Safety

The Submitted FY 2016 Lynchburg Regional Airport/Public Safety budget of \$409,012 represents a 0.7% increase of \$3,028 as compared with the Adopted FY 2015 budget of \$405,984.

Highlights of the Public Safety Submitted FY 2016 budget include:

- \$5,000 increase in Contractual Services for contracted Aircraft Rescue & Fire Fighting (ARFF) services.

6. Other Operations

The Submitted FY 2016 Lynchburg Regional Airport/Other Operations budget of \$64,450 represents a 0.9% increase of \$600 as compared with the Adopted FY 2015 budget of \$63,850.

Highlights of the Other Operations Submitted FY 2016 budget include:

- None

7. Snow Removal

The Submitted FY 2016 Lynchburg Regional Airport/Snow Removal budget of \$19,930 represents a 5.3% increase of \$1,000 as compared with the Adopted FY 2015 budget of \$18,930.

Highlights of the Snow Removal Submitted FY 2016 budget include:

- None

These changes will have no impact on service delivery.

Thank you for the opportunity to present this budget and I would be pleased to answer any questions you may have.

AIRPORT OPERATING FUND SUMMARY

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
City Funded Full-Time	14.0	14.0	14.0	0.0
City Funded Part-Time	0.7	0.7	0.7	0.0
Grant Funded Full-Time	3.0	3.0	3.0	0.0
TOTAL FTE	17.7	17.7	17.7	0.0

AIRPORT FUND SUMMARY

BEGINNING NET ASSETS	\$31,042,521			
Less: Invested in Capital Assets, net of related debt	(30,210,365)			
BEGINNING UNRESTRICTED NET ASSETS	\$832,156	\$200,000	\$250,000	\$50,000
REVENUES				
Airfield	\$102,049	\$97,000	\$99,000	\$2,000
Terminal	1,456,712	1,312,327	\$1,415,827	103,500
General Aviation	434,608	399,000	421,500	22,500
Other Leased Property	219,755	204,400	210,900	6,500
State Airport Aid	358,815	95,000	108,750	13,750
Federal Security Aid	107,820	107,500	107,500	0
Subsidy from General Fund	218,809	152,443	0	(152,443)
Use of Reserves	0	46,075	45,403	(672)
Interest and Other	36,066	19,500	22,000	2,500
TOTAL REVENUES	\$2,934,634	\$2,433,245	\$2,430,880	(\$2,365)
EXPENDITURES				
Airfield Operations	\$315,747	\$305,042	\$298,968	(\$6,074)
Terminal Operations	499,932	551,803	546,874	(4,929)
General Aviation	36,490	55,465	58,211	2,746
Administration	612,285	675,874	675,978	104
Airport Public Safety	421,309	405,984	409,012	3,028
Other Operations	82,343	63,850	64,450	600
Snow Removal	34,610	18,930	19,930	1,000
Debt Service	204,166	179,429	140,414	(39,015)
Miscellaneous and Transfers	546,074	176,868	217,043	40,175
TOTAL EXPENDITURES	\$2,752,956	\$2,433,245	\$2,430,880	(\$2,365)
ENDING UNRESTRICTED NET ASSETS	\$1,013,834	\$200,000	\$250,000	\$50,000

Key Ratios:

General Fund Subsidy as a % of Total Expenditures	7.9%	6.3%	0.0%
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AIRPORT OPERATING FUND - REVENUE SUMMARY

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
REVENUE CENTERS				
AIRFIELD REVENUE				
Airline Landing Fees	102,049	97,000	99,000	2,000
Total Airfield Revenue	102,049	97,000	99,000	2,000
TERMINAL REVENUE				
Airline Exclusive Space	56,025	56,025	56,025	0
Airline Common Area	108,858	108,858	108,858	0
TSA Office Rent	59,444	59,444	59,444	0
Rental Car Parking Space	28,908	24,500	28,500	4,000
Rental Car Counter Rent	32,669	28,500	32,500	4,000
Rental Car Facility Charge	179,654	150,000	165,000	15,000
Rental Car Concession	411,827	370,000	395,000	25,000
Food/Vending Concession	6,615	5,000	5,500	500
Terminal Advertising	38,550	40,000	40,000	0
Airport Limo Concession	0	0	0	0
Parking Lot Concession	534,162	470,000	525,000	55,000
Total Terminal Revenue	1,456,712	1,312,327	1,415,827	103,500
GENERAL AVIATION REVENUE				
Fuel Flowage	55,730	42,000	48,000	6,000
Facilities - Virginia Aviation	132,528	130,000	135,000	5,000
Facilities - Freedom Aviation	122,696	123,000	124,500	1,500
Aircraft Landing & Parking Fees	16,898	5,000	15,000	10,000
Fuel Farm Lease/Thru-put Fees	106,757	99,000	99,000	0
Total General Aviation Revenue	434,609	399,000	421,500	22,500
OTHER AIRPORT REVENUE				
State Police Hangar Lease	84,316	84,000	84,500	500
FAA Tower Lease	46,339	34,200	39,000	4,800
Steel Property Lease	0	0	0	0
Childress Lease	0	0	0	0
Centra Health Lease	6,000	6,000	6,000	0
Fire Training Center Rent	20,000	20,000	20,000	0
Police Firing Range Rent	5,000	5,000	5,000	0
T-Hangar Rent	58,100	55,200	56,400	1,200
Total Other Airport Revenue	219,755	204,400	210,900	6,500
TOTAL REVENUE CENTERS	2,213,125	2,012,727	2,147,227	134,500
MISCELLANEOUS				
Investment Interest	965	1,500	1,500	0
Charges for Services	20,222	12,500	15,000	2,500
State Airport Aid	358,815	95,000	108,750	13,750
Federal Security Aid	107,820	107,500	107,500	0
Other	14,879	5,500	5,500	0
TOTAL MISCELLANEOUS	502,700	222,000	238,250	16,250
USE OF RESERVES (RENTAL CAR DEBT)		46,075	45,403	(672)
TOTAL AIRPORT -GENERATED REVENUE	2,715,825	2,280,802	2,430,880	150,078
GENERAL FUND SUBSIDY				
Transfer from General Fund	218,809	152,443	0	(152,443)
TOTAL GENERAL FUND SUBSIDY	218,809	152,443	0	
TOTAL ALL REVENUES	2,934,634	2,433,245	2,430,880	(2,365)

AIRPORT OPERATING FUND - EXPENSE SUMMARY		Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
POSITION SUMMARY				
City Funded Full-Time	14.0	14.0	14.0	0.0
City Funded Part-Time	0.7	0.7	0.7	0.0
Grant Funded Full-Time	3.0	3.0	3.0	0.0
TOTAL FTE	17.7	17.7	17.7	0.0

DEPARTMENTAL EXPENDITURES

Salaries	\$582,085	\$624,561	\$640,022	\$15,461
Employee Benefits	221,327	249,615	255,138	5,523
Contractual Services	487,363	507,000	505,100	(1,900)
Internal Service Charges	35,544	45,689	15,742	(29,947)
Other Charges	387,803	356,600	370,650	14,050
Rentals and Leases	4,609	6,000	6,000	0
Payments to Other Funds	152,159	158,303	151,591	(6,712)

TOTAL DEPARTMENTAL EXPENDITURES	\$1,870,890	\$1,947,768	\$1,944,243	(\$3,525)
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NON-DEPARTMENTAL EXPENDITURES

Security Personnel (Federal Program)	\$131,826	\$129,180	\$129,180	\$0
Small Projects & Equipment (State Supported)	480,911	100,000	127,500	27,500
Independent Financial Audit	10,601	10,000	10,000	0
Uncollectible Accounts	0	2,500	2,500	0
Other Non-Departmental	54,562	64,368	77,043	12,675

TOTAL NON-DEPARTMENTAL EXPENDITURES	\$677,900	\$306,048	\$346,223	\$40,175
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DEBT SERVICE

Debt Service	\$204,166	\$179,429	\$140,414	(\$39,015)
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TOTAL DEBT SERVICE	\$204,166	\$179,429	\$140,414	(\$39,015)
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TOTAL EXPENDITURES	\$2,752,956	\$2,433,245	\$2,430,880	(\$2,365)
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TOTAL EXPENDITURES	\$2,752,956	\$2,433,245	\$2,430,880	(\$2,365)
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Other Non-Departmental Detail

25400.0002 Workers Comp	2,540	1,000	2,000	1,000
25600.0003 Retiree Health	14,643	15,321	15,321	0
25600.0004 Retiree Dental	972	1,008	1,008	0
25700.0001 Unemployment Tax	840	1,000	1,000	0
25600.0006 Retiree OPEB	16,426	29,500	20,000	-9,500
Transfer to Capital Projects	19,140	14,024	20,000	5,976
Compensation Adjustment		3,187	17,714	14,527
FY15 Budget additions (vision benefit)		-672		672
	54,562	64,368	77,043	12,675

AIRFIELD DEPARTMENT

	Actual	Adopted	Department	Inc/(Dec)
	FY 2014	Budget	Submitted	FY15 Adopted vs
		FY 2015	FY 2016	FY16 Submitted

POSITION STATEMENTS

City Funded Full-Time	3	3	3	0
TOTAL FTE	3	3	3	0

BUDGET SUMMARY**EXPENDITURES**

Salaries	\$129,687	\$130,124	\$133,678	\$3,554
Employee Benefits	47,821	52,629	53,347	718
Contractual Services	17,244	14,700	15,200	500
Internal Service Charges	22,621	28,089	8,143	(19,946)
Other Charges	97,159	78,000	87,100	9,100
Rentals and Leases	1,215	1,500	1,500	0
TOTAL	\$315,747	\$305,042	\$298,968	(\$6,074)

TERMINAL DEPARTMENT

	Actual	Adopted	Department	Inc/(Dec)
	FY 2014	Budget	Submitted	FY15 Adopted vs
		FY 2015	FY 2016	FY16 Submitted

City Funded Full-Time	6	6	6	0
TOTAL FTE	6	6	6	0

BUDGET SUMMARY**EXPENDITURES**

Salaries	\$155,100	\$177,634	\$181,139	\$3,505
Employee Benefits	69,846	83,223	84,718	1,495
Contractual Services	82,046	100,200	94,200	(6,000)
Internal Service Charges	12,102	15,246	5,967	(9,279)
Other Charges	180,838	175,500	180,850	5,350
TOTAL	\$499,932	\$551,803	\$546,874	(\$4,929)

GENERAL AVIATION DEPARTMENT

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
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City Funded Full-Time	1	1	1	0
TOTAL FTE	1	1	1	0

BUDGET SUMMARY**EXPENDITURES**

Salaries	\$10,431	\$23,634	\$25,980	\$2,346
Employee Benefits	7,427	12,031	13,081	1,050
Contractual Services	752	3,350	1,350	(2,000)
Other Charges	17,880	16,450	17,800	1,350
TOTAL	\$36,490	\$55,465	\$58,211	\$2,746

ADMINISTRATION DEPARTMENT

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
City Funded Full-Time	4.0	4.0	4.0	0.0
City Funded Part-Time	0.7	0.7	0.7	0.0
TOTAL FTE	4.7	4.7	4.7	0.0

BUDGET SUMMARY**EXPENDITURES**

Salaries	\$282,334	\$290,169	\$296,225	\$6,056
Employee Benefits	94,706	101,502	103,762	2,260
Contractual Services	62,488	99,750	99,750	0
Other Charges	17,204	21,650	20,150	(1,500)
Rentals and Leases	3,394	4,500	4,500	0
Payments to Other Funds	152,159	158,303	151,591	(6,712)
TOTAL	\$612,285	\$675,874	\$675,978	\$104

AIRPORT POLICE & FIRE

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
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POSITION SUMMARY

Grant Funded Full-Time Equivalent	3	3	3	0
TOTAL FTE	3	3	3	0

BUDGET SUMMARY**EXPENDITURES**

Salaries	\$122,458	\$120,000	\$120,000	\$0
Employee Benefits	9,368	9,180	9,180	0
Contractual Services	271,699	262,500	267,500	5,000
Internal Service Charges	546	1,904	1,182	(722)
Other Charges	17,238	12,400	11,150	(1,250)
TOTAL	\$421,309	\$405,984	\$409,012	\$3,028

AIRPORT OTHER DEPARTMENT

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
BUDGET SUMMARY				
EXPENDITURES				
Contractual Services	\$37,509	\$21,500	\$21,100	(\$400)
Other Charges	44,834	42,350	43,350	1,000
TOTAL	\$82,343	\$63,850	\$64,450	\$600

AIRPORT SNOW REMOVAL

	Actual FY 2014	Adopted Budget FY 2015	Department Submitted FY 2016	Inc/(Dec) FY15 Adopted vs FY16 Submitted
EXPENDITURES				
Salaries	\$4,533	\$3,000	\$3,000	\$0
Employee Benefits	1,527	230	230	0
Contractual Services	15,625	5,000	6,000	1,000
Internal Service Charges	275	450	450	0
Other Charges	12,650	10,250	10,250	0
TOTAL	\$34,610	\$18,930	\$19,930	\$1,000

Lynchburg Regional Airport Commission

Effective November 2014

AIR SERVICE UPDATE

Summary The number of daily departure seats is 300 and the daily departure frequency is 6 on most days.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	US Airways	Charlotte	6	300	DH3
AIRPORT TOTAL:			6	300	

US Airways For the month of November there will be five departures on Mondays and Saturdays, and six departures Tuesday through Friday and on Sunday. Equipment on weekdays and Sundays will be Dash 8-300s. The departure schedule in December is reduced on certain days as well.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	6	6 (most weekdays)

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	DH8 Dash 8	0 Daily
	DH3 Dash 8-300	6 Daily
	CRJ	0Daily

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR OCTOBER 2014

	MONTH			YEAR TO DATE TOTALS			PERCENTAGE CHANGES		
	Oct-14	Sep-14	Oct-13	2014	2013	Oct-14 Sep-14	Oct-14 Oct-13	Oct-14 Sep-14	14 YTD 13 YTD
AIRLINE PASSENGERS (REVENUE ONLY)									
ENPLANED									
US Airways - Piedmont	6,634	5,921	3,488	44,325	33,338	12.0%	90.2%	12.0%	33.0%
US Airways - Air Wisconsin	-	60	3,471	15,229	29,925	-100.0%	-100.0%	-100.0%	-49.1%
US Airways - PSA	160	358	-	6,757	1,118	-55.3%	#DIV/0!	-55.3%	504.4%
Charter	-	-	191	-	350				
TOTAL ENPLANED	6,794	6,339	7,150	66,311	64,731	7.2%	-5.0%	7.2%	2.4%
DEPLANED									
US Airways - Piedmont	6,846	6,007	3,784	46,089	36,159	14.0%	80.9%	14.0%	27.5%
US Airways - Air Wisconsin	-	79	3,187	14,834	27,460	-100.0%	-100.0%	-100.0%	-46.0%
US Airways - PSA	168	298	-	6,302	1,517	-43.6%	#DIV/0!	-43.6%	315.4%
Charter	-	-	191	-	350	#DIV/0!	-100.0%	#DIV/0!	-100.0%
TOTAL DEPLANED	7,014	6,384	7,162	67,225	65,486	9.9%	-2.1%	9.9%	2.7%
TOTAL AIRLINE PASSENGERS	13,808	12,723	14,312	133,536	130,217	8.5%	-3.5%	8.5%	2.5%
AIRLINE FLIGHTS									
NUMBER OF DAILY SCHEDULED DEPARTURES									
US Airways - Piedmont	3	3	3			0.0%	0.0%	0.0%	#####
US Airways - Air Wisconsin	3	3	3			0.0%	0.0%	0.0%	#####
US Airways - PSA	0	0	0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Daily Scheduled Departures	6	6	6			0.0%	0.0%	0.0%	
NUMBER OF CANCELLED DEPARTURES									
US Airways - Piedmont	3	6	2	49	39	-50.0%	50.0%	-50.0%	25.6%
US Airways - Air Wisconsin	0	0	0	24	13	#DIV/0!	#DIV/0!	#DIV/0!	84.6%
US Airways - PSA	0	0	0	1	3	#DIV/0!	#DIV/0!	#DIV/0!	-66.7%
Charter	0	0	0	-	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Cancelled Departures	3	6	2	74	55	-50.0%	50.0%	-50.0%	34.5%
NUMBER OF ACTUAL DEPARTURES									
US Airways - Piedmont	167	147	93	1,137	913	13.6%	79.6%	13.6%	24.5%
US Airways - Air Wisconsin	0	2	81	377	722	-100.0%	-100.0%	-100.0%	-47.8%
US Airways - PSA	4	9	0	156	35	-55.6%	#DIV/0!	-55.6%	345.7%
Charter	0	0	0	-	-				
TOTAL ACTUAL DEPARTURES	171	158	174	1,670	1,670	8.2%	-1.7%	8.2%	0.0%
AIRCRAFT OPERATIONS									
(Landings and Takeoffs)									
COMMERCIAL AIRLINE	514	532	556	5,139	5,099	-3.4%	-7.6%	-3.4%	0.8%
GENERAL AVIATION	10,957	10,287	11,790	95,538	90,013	6.5%	-7.1%	6.5%	6.1%
MILITARY	260	256	210	2,216	2,402	1.6%	23.8%	1.6%	-7.7%
TOTAL AIRCRAFT OPERATIONS	11,731	11,075	12,556	102,893	97,514	5.9%	-6.6%	5.9%	5.5%



LYNCHBURG REGIONAL AIRPORT

TRAFFIC STATISTICS FOR OCTOBER 2014

OCTOBER	PIEDMONT				AIR WISCONSIN				PSA				TOTALS			
	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
<i>DHC-8-200</i>	-	-											-	-		
<i>DHC-8-300</i>	151	7,550											151	7,550		
<i>DHC-8</i>	16	592											16	592		
<i>CR7</i>									0	-			-	-		
<i>CRJ(50 SEAT)</i>	-	-			-	-			4	200			4	200		
Total	167	8,142	6,634	81.5%	-	-	-	#####	4	200	160	80.0%	171	8,342	6,794	81.4%

Year-to-Date	PIEDMONT				AIR WISCONSIN				PSA				TOTALS			
	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
<i>DHC-8-200</i>	-	-											-	-		
<i>DHC-8-300</i>	1,093	54,650											1,093	54,650		
<i>DHC-8</i>	44	1,628							4	268			44	1,628		
<i>CR7</i>									152	7,600			4	268		
<i>CRJ(50 SEAT)</i>	-	-			377	18,850							529	26,450		
Total	1,137	56,278	44,325	78.8%	377	18,850	15,229	80.8%	156	7,868	6,757	85.9%	1,670	82,996	66,311	79.9%